



Ministry of Agriculture  
and Forestry of Finland

THE LOCAL FOOD PROGRAMME AND LOCAL FOOD  
SECTOR DEVELOPMENT OBJECTIVES FOR 2025

# Local food – but of course!

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The Local Food Programme and local food sector development objectives for 2025

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## The Local Food Programme and local food sector development objectives for 2025

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**Abstract**

The Local Food Programme is based on the Government Programme of 2011, which identified the food industry as a future growth sector in our country and proposed that programmes be prepared for local and organic food. These programmes were adopted as government resolutions on 16 May 2013. External evaluations of the Local Food Programme were carried out in 2015 and 2018. The updated programme addresses the proposals issued following the most recent evaluation, in particular.

Objectives of the Programme are: to diversify local food production and to increase it to meet the demand, to enable the development of new sales and distribution channels, and to increase the degree of processing of local foods, to improve opportunities for small-scale food processing and sales through legislation, advice and research, to increase the share of local foods in public procurement by improving procurement competence, qualitative criteria and procurement requirements, to intensify cooperation between actors in the local food sector and to increase the appreciation and visibility of food and food chain actors.

In order for the programme objectives to be attained, measures and collaboration of the entire local food sector will be called for.

**Keywords** local food, food, food sector, food supply chains

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## Lähiuokaa – totta kai!

## Lähiuokaohjelma ja lähiuokasektorin kehittämisen tavoitteet vuoteen 2025

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## Tiivistelmä

Lähiuokaohjelman perustana on vuoden 2011 hallitusohjelma, jossa ruokasektori tunnistettiin maamme tulevaisuuden kasvualaksi. Kyseisessä ohjelmassa ehdotettiin lähiuoka- ja luomuhjelmien laatimista. Ne hyväksyttiin valtioneuvoston periaatepäätöksinä 16.5.2013. Lähiuokaohjelmasta tehtiin ulkopuoliset arvioinnit vuosina 2015 ja 2018, joista erityisesti jälkimmäisen ehdotukset on otettu päivitetystä ohjelmasta huomioon.

Ohjelman tavoitteena on monipuolistaa lähiuuan tuotantoa ja lisätä sitä kysyntää vastaavaksi, mahdollistaa uusien myynti- ja jakelukanavien kehittymistä sekä nostaa lähiuuan jalostusastetta, parantaa pienimuotoisen elintarvikejalostuksen ja myynnin mahdollisuuksia lainsäädännön, neuvonnan ja tutkimuksen keinoin, kasvattaa lähiuuan osuutta julkisista hankinnoista parantamalla hankintaosaamista, laadullisia kriteereitä ja hankintavaatimuksia, tiivistää lähiuokasektorilla toimivien yhteistyötä ja lisätä ruuan ja ruokaketjun toimijoiden arvostusta ja näkyvyyttä.

Ohjelman tavoitteiden toteuttaminen vaatii koko lähiuokasektorin toimenpiteitä ja yhteistyötä.

Asiasanat lähiuoka, ruoka, elintarvikeala, elintarvikeketjut

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**Naturligtvis närmät!****Närmarksprogrammet och målen för utveckling av närmarkssektorn till 2025****Jord- och skogsbruksministeriets publikationer 2021:10****Utgivare** Jord- och skogsbruksministeriet**Författare****Redigerare****Utarbetad av****Språk** engelska**Sidantal**

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Grunden till närmarksprogrammet är 2011 års regeringsprogram, där livsmedelssektorn identifieras som en framtida tillväxtbransch. I regeringsprogrammet föreslås att program för den ekologiska branschen och för närproducerad mat ska utarbetas. Dessa godkändes som statsrådets principbeslut den 16 maj 2013. Närmarksprogrammet utvärderades av externa aktörer åren 2015 och 2018, och i synnerhet de förslag som lades fram i den senare utvärderingen har beaktats i detta uppdaterade program.

Målen för utveckling av närmarkssektorn fram till år 2025 är: göra produktionen av närmät mångsidigare och öka den så att den möter efterfrågan, möjliggöra nya försäljnings- och distributionskanaler samt höja närmatens förädlingsgrad, förbättra möjligheterna till småskalig livsmedelsförädling och försäljning genom lagstiftning, rådgivning och forskning, öka närmatens andel av den offentliga upphandlingen genom att förbättra upphandlingskompetensen och höja kvalitetskriterierna och upphandlingskraven, intensifiera samarbetet mellan dem som arbetar inom närmarkssektorn och höja uppskattningen av maten och aktörerna inom matkedjan och öka deras synlighet.

Att uppnå målen i programmet kräver åtgärder och samarbete i hela närmarkssektorn.

**Nyckelord**

närproducerad mat, mat, livsmedelsbranschen, livsmedelskedjor

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## FOREWORD

Local food has been a growing global trend for years. It has also been gathering strength in Finland and increasing its share in the consumers' shopping trolleys. The selection of local foods has expanded, and their sales channels have diversified. This is another indication of how the food chain is turning into a genuine food system, in which consumer-centrally produced food has many routes from the field to fork. The exceptional situation caused by the coronavirus pandemic has boosted the demand for not only Finnish but also local foods, and I believe this trend is here to stay.

Many expectations are today placed on food. In addition to coming at the right price, food should create experiences and be compatible with each consumer's values. People wish to know where their food comes from and who produces it, they look for ingredients that are fresh and as unprocessed as possible, and food is expected to offer experiences, stories and, above all, authenticity and flavour. Local food responds to many major consumer trends, including sustainability, traceability, authenticity, ethics and meaningfulness.

Studies have found that the greatest motivating factor for buying local food is a desire to support local producers and entrepreneurs. Consumers also wish to know who produced the food and how.

The Local Food Programme is based on the Government Programme of 2011, which clearly identified the food industry as a future growth sector in our country and proposed that programmes be prepared for local food and organic food. These programmes were adopted as government resolutions on 16 May 2013. External evaluations of the Local Food Programme were carried out in 2015 and 2018. This updated programme addresses the development proposals issued following the most recent evaluation, in particular.

Efforts to develop the local food sector have been going on for some time, and this systematic work is beginning to bear fruit. We are now in a situation where local food is increasingly easy to source through different sales channels. The local food sector must be developed further, however, which also requires long-term commitment of the central government.

**Jari Leppä**

Minister of Agriculture and Forestry



# 1 Abstract

## 1.1 What is local food?

*In this programme, local food means locally produced food that supports the economy, employment and food culture of the local region<sup>1</sup>, has been produced and processed from ingredients sourced in that region, and is marketed and consumed in it*

In addition, the measures of this programme cover special products of certain, mainly small food companies, the most significant market for which is local but which are also sold through various channels in other parts of Finland.

Local food and the local origin of food relate, in particular, to short supply chains. Short supply chains are defined by a small number of actors in the chain, close co-operation between actors, growth of the local economy, and geographical and social contacts between consumers.

## 1.2 Vision

Consumer-centrally and sustainably produced local food is valued and used throughout the food system, and it supports employment and develops the local economy and food culture.

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<sup>1</sup> In this context, the word 'region' refers to a county, a corresponding region, or a smaller geographic area.

## 1.3 Objectives and target states for the development of the local food sector for 2025

***1. Objective: diversifying local food production and increasing it to meet the demand, enabling the development of new sales and distribution channels, and increasing the degree of processing of local foods***

### Target state 2025

- The degree of processing of local foods has increased, there is a wide range of products available, and the products meet the needs of different customers.
- Local food products are easily available to consumers. They have a number of sales channels, among which producers and processors of products can find the most suitable and profitable ones for themselves.
- Advanced logistics for small batches enable profitable and sustainable business. Local food companies engage in effective collaboration with retail trade and food service wholesalers.
- Local foods are part of high-quality tourism products, create added value and profit for food and tourism business operators in the region, and increase Finland's attraction as a tourist destination.
- Local food production is a key element in national self-sufficiency and security of supply.

***2. Objective: improving opportunities for small-scale food processing and sales through legislation, advice and research***

### Target state 2025

- The level of know-how has improved in all stages of the food chain and expert services are readily available.
- Entrepreneurs have stronger business skills and they have faith in the future, which motivates them to invest in further processing capacity and to eagerly search for new solutions.
- Legislation applicable to enterprises is clear and supports comprehensive development of business activities.

### ***3. Objective: increasing the share of local foods in public procurement by improving procurement competence, qualitative criteria and procurement requirements***

#### **Target state 2025**

- The availability of local foods has improved and local food is a natural part of public food services. Local foods have been taken into account in municipal procurement strategies and food service agreements, and they are used and valued in all Finnish municipalities.
- Criteria applied in competitive tendering include, besides nutrition and other quality, environmental issues and sustainable consumption, seasonal products and freshness.
- New procurement methods, including dynamic purchasing systems and innovative procurement partnerships, have been widely introduced in the procurement of local foods. Purchasers have the competence needed to divide procurements into appropriate lots, which also enables the participation of smaller companies. The market knowledge of food service and procurement experts has improved, and procurements are developed through active market dialogue between the parties.

### ***4. Objective: intensifying cooperation between actors in the local food sector***

#### **Target state 2025**

- National strategies and policies point the way for the local food chain and secure the growth of the sector.
- Effective development efforts are made in genuine cooperation between different actors in the local food chain.

### ***5. Objective: increasing the appreciation and visibility of food and food chain actors***

#### **Target state 2025**

- The consumers increasingly appreciate local foods and those who produce them.

- Food and nutrition education delivered throughout the education system, starting from early childhood education, lays the foundation for a lifetime of sustainable food choices.

## 1.4 Nature of the programme

The programme is a policy instrument that supports the Government's food policy. The programme sets targets for the promotion of local food for 2025, the government term extending till 2023, and the new EU funding period ending in 2027.

The measures set out in the programme will be implemented as part of the work of the relevant ministries and agencies as well as regional state government and local government. While it is implemented through the means available for the administration as a government-level programme, its objectives and strategic outlines lay the foundation and create added value for the development efforts of all actors in the local food chain. In order for the programme objectives to be attained, measures and collaboration of the entire local food sector will be called for.



## 2 Description of the operating environment

Growth in the food sector is underpinned by Finland's natural strengths, including abundant water resources and pure soil and air, which produce clean ingredients for food. Climate change and the exacerbating water shortages resulting from it may also strengthen Finland's global position as a food producer. In different parts of the food chain, we have good and skilled workers, comprehensive supervision systems, and companies that invest in consumer-centric product development to introduce new, innovative products. The food industry is today the fourth largest industrial sector in Finland with a turnover of EUR 11.2 billion in 2019<sup>2</sup>.

The Finnish food industry is divided into two segments. We have a few large food companies whose production covers the majority of products and services in the sector. Their products are accessible for all Finnish consumers, and all consumers are aware of them. On the other hand, 95% of the nearly 3,000 Finnish food sector companies employ less than 50 people, and 71% employ no more than 5 people<sup>3</sup>. Smaller food sector companies are local food producers by nature: studies<sup>4</sup> indicate that they not only acquire most of their raw materials but also mostly sell their main products in their home counties. Typically, local food companies are micro and small enterprises whose products are unique at best and create added value for consumers in different ways; the price is not as decisive a factor in the local food market as it is in the national or international market. In the production and processing of local foods, farms and food businesses of all sizes are needed now and in the future.

Retail trade is highly concentrated in the small Finnish market. The combined market share of the two largest operators in the grocery trade was over 80%, and the share of the

2 Elintärkeä, monimuotoinen elintarvikeala [The vital and diverse food sector. In Finnish with English abstract]. Ministry of Employment and the Economy Industry Reports 2020:2.

3 <https://aitojamakuja.fi/aitoja-makuja-yritystilastoon-on-koottu-tuoreimmat-tiedot-suomen-ruokasektorista/>

4 Forsman, Sari (2004). How do small food-processing forms compete? A Resource-based approach to competitive strategies. Agricultural and Food Science in Finland, Vol. 12, Supplement No. 1, 2004. MTT Agrifood Research Finland. Helsinki.; Hiekkataipale, Minna-Maaria (2004). Elintarvikealan yritysten toimintaympäristö 2004 [The operating environment of food sector companies 2004]. Publication series of Savonia University of Applied Sciences D 8/2004. Kuopio. Mäki, Seija. Elintarvikealan yritysten toimintaympäristö 2008 [The operating environment of food sector companies 2008]. Publication series of Savonia University of Applied Sciences D 9/2008. Kuopio. Vaara Elina, Väisänen Karoliina, Tunkkari-Eskelinen Minna, Järvinen Suvi, Pölkki Leena. Elintarvikealan yritysten toimintaympäristö 2020 [The operating environment of food sector companies 2020]. Ministry of Agriculture and Forestry, JAMK University of Applied Sciences. 12.2020.

three largest operators more than 90%, in 2018. A report<sup>5</sup> commissioned by the Ministry of Agriculture and Forestry as background for the Local Food Programme adopted in 2013 estimated that the share of local food in grocery trade food sales was approx. 8%. While precise figures are not available due to shortcomings in statistics, large grocery chains have reported an increase in their purchases from local food entrepreneurs and the share of local foods<sup>6</sup>. Trade sector enterprises have recognised the value of local foods in making their selections more interesting and supported the local food trend when working on their ranges by means of campaigns, marketing cooperation, training provided for small suppliers and development of operating concepts that enable the sales of small companies' products on their channels.

On the other hand, numerous food stores, food cooperatives, community farming groups, web based ordering systems and various direct sales solutions offering local foods provide consumers with a large range of products and added value in their everyday choices. The main primary products in Finland, or cereals, vegetables, milk, fruit, and berries picked in the forest as well as meat and fish are of high nutritional value and offer quality ingredients for well-balanced meals. A study<sup>7</sup> found that products in these categories are the most frequently purchased local foods. A study on Finnish consumers' eating habits<sup>8</sup> indicates that most consumers buy local foods in ordinary supermarkets (96% of respondents), in marketplaces (77%) and directly from farms/producers (51%). While the number of consumers who buy food through responsible food networks (REKO) remains low (13%), these networks have doubled their share as a channel for purchasing local foods over four years.

A large proportion of meals consumed by Finnish people is prepared in professional kitchens. Each year, the public sector (central government, municipalities, the Defence Forces, joint municipal authorities) spends approx. EUR 350 million on purchasing food and ingredients<sup>9</sup>. A report<sup>10</sup> commissioned by the Ministry of Agriculture and Forestry as background for the Local Food Programme adopted in 2013 estimated that the share of local foods on the menus of restaurants, cafés and public institutions was approx. 10%. In public professional kitchens, the share of local food purchases has changed little between 2013 and 2019 and is now around 16%. Regional differences in the proportion of local foods in procurements have increased from one to 47 per cent, however. The proportion

5 Kurunmäki, Seija, Ikäheimo, Irma, Syväniemi, Anni-Mari and Rönni, Päivi (2012). Lähiruokaselvitys. Ehdotus lähiruokaohjelman pohjaksi 2012-2015 [Report on local food. Proposal for a local food programme 2012-2015].

6 See e.g. <https://www.pirkka.fi/artikkeli/oman-maan-ruokaa>; <https://yle.fi/uutiset/3-10988169>

7 Mäkipeska, Tuomas and Sihvonen, Mikko (2010). Lähiruoka, nyt! Sitra reports 29.

8 Suomi syö –tutkimus/Taloustutkimus

9 [https://mmm.fi/artikkeli/-/asset\\_publisher/periaatepaatos-julkisten-elintarvike-ja-ruokapalveluhankintojen-vastuullisuudesta-hyvaksyttiin#9681e076](https://mmm.fi/artikkeli/-/asset_publisher/periaatepaatos-julkisten-elintarvike-ja-ruokapalveluhankintojen-vastuullisuudesta-hyvaksyttiin#9681e076)

10 Kurunmäki, Seija, Ikäheimo, Irma, Syväniemi, Anni-Mari and Rönni, Päivi (2012). Lähiruokaselvitys. Ehdotus lähiruokaohjelman pohjaksi 2012-2015 [Report on local food. Proposal for a local food programme 2012-2015].

of Finnish products, on the other hand, has grown from approx. 78% in 2013 to around 83% in 2019<sup>11</sup>. According to a report<sup>12</sup> commissioned by the Ministry of Agriculture and Forestry, 29% of public and 36% of private professional kitchens used local foods daily in 2020. Potatoes, vegetables and cereal products were the most frequently used local food products and also the local food product groups which were expected to increase their popularity, similarly to fresh or frozen fish.

Viable agriculture is a precondition for producing local foods. However, Finnish primary production faces a difficult situation as the meat and milk sectors, in particular, are plagued by productivity problems. On the other hand, farms with direct sales as a rule enjoy slightly better productivity than conventional farms. On farms with direct sales, the profitability coefficient was approx. 0.1 units, and the entrepreneur income was approx. EUR 5,000 higher than on others. The differences varied by year and production area<sup>13</sup>. While around 3,300 farms sold their produce directly in 2019, this number has gone up by around 300 over a couple of years. Examined by type of production, the product which was sold directly to consumers in greatest volumes was lamb, followed by vegetables, berries, potatoes and eggs. Income from direct sales accounted for less than 10% of the agricultural sales income on almost one half of the farms. Of livestock farms, income from direct sales had the greatest significance for sheep farms. Around 800 farms processed their produce further in 2019<sup>14</sup>.

Some local food companies also face profitability problems, and according to a study by the Natural Resources Institute Finland<sup>15</sup>, the average profitability level of local food business as a whole is no better than satisfactory. Great variations in profitability were also experienced on different distribution channels<sup>16</sup>. The sectoral SME Barometer survey indicates, however, that the food sector confidently expects profitability to improve<sup>17</sup>.

The crisis caused by the COVID-19 pandemic, which hit Finland and the whole world without warning, also affected local food companies in many ways. The orders of many local food companies supplying professional kitchens – especially private ones – collapsed overnight. Substitute markets are not easy to find, among other things because of product

11 Viitaharju Leena, Kujala Susanna, Hakala Outi and Trogen Ada. (2020). Lähiruoka puheissa ja teoissa – Julkiskeittiöiden lähiruokan käytön muutos vuosien 2013 ja 2019 välillä. (Local food in words and deeds. The change in the use of local foods in public kitchens between 2013 and 2019, in Finnish with English abstract.) University of Helsinki, Ruralia Institute. Reports 201.

12 [https://mmm.fi/documents/1410837/1890227/22042\\_Ammattikeitti%C3%B6t\\_RAPORTTI\\_030420.pdf/3bd33fa7-9415-0256-007b-9a2d3d467a35/22042\\_Ammattikeitti%C3%B6t\\_RAPORTTI\\_030420.pdf](https://mmm.fi/documents/1410837/1890227/22042_Ammattikeitti%C3%B6t_RAPORTTI_030420.pdf/3bd33fa7-9415-0256-007b-9a2d3d467a35/22042_Ammattikeitti%C3%B6t_RAPORTTI_030420.pdf)

13 <https://www.luke.fi/uutinen/suoramyynnista-apua-maatalouden-kannattavuuteen/>

14 <https://mmm.fi/kehittamisen-tyokaluja>

15 <https://jukuri.luke.fi/handle/10024/538946>

16 [https://helda.helsinki.fi/bitstream/handle/10138/229814/Helander\\_Anni\\_ProGradu.pdf?sequence=2&isAllowed=y](https://helda.helsinki.fi/bitstream/handle/10138/229814/Helander_Anni_ProGradu.pdf?sequence=2&isAllowed=y)

17 [http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161909/Pk-toimialabarometri\\_Elintarvikkeiden\\_valmistus\\_syksy\\_2019.pdf](http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161909/Pk-toimialabarometri_Elintarvikkeiden_valmistus_syksy_2019.pdf)



ranges or package sizes that are unsuitable for the grocery trade. At the beginning of the exceptional conditions, cheaper basic products were emphasised in the consumers' shopping behaviour in grocery stores, at the expense of products with higher added value and prices. On the other hand, farms with direct sales and responsible food networks were able to continue operating and, for example, both the producer and buyer numbers of responsible food networks went up. The popularity of online food shops grew exponentially, and many local food companies either set up their own online shops or tried to get their products to online shops maintained by others. Farms with direct food sales also attracted interest as tourist destinations. It has already been found that the coronavirus pandemic has had both positive and negative impacts on companies in the sector<sup>18</sup>. Food sector SMEs see the general economic outlook in the near future as brighter than companies in the whole country and reference sectors. However, the outlook of the sector has deteriorated since the year before<sup>19</sup>. A survey on the impacts of the coronavirus pandemic addressed to food sector companies and commissioned by a food sector coordination project found that few local food companies had a contingency plan before the pandemic hit them. Even during the pandemic, only some of them produced these plans, which only addressed individual causes of disruption<sup>20</sup>.

Photo: Ministry of Agriculture and Forestry



18 Vaara Elina, Väisänen Karoliina, Tunkkari-Eskelinen Minna, Järvinen Suvi, Pölkki Leena. Elintarvikealan yritysten toimintaympäristö 2020 [The operating environment of food sector companies 2020]. Ministry of Agriculture and Forestry, JAMK University of Applied Sciences. 12.2020.; Gaia. Elintarvikealan koronaselvitys. 2021

19 Elintärkeä, monimuotoinen elintarvikeala [The vital and diverse food sector. In Finnish with English abstract]. Ministry of Employment and the Economy Industry Reports 2020:2.

20 Gaia. Elintarvikealan koronaselvitys. 2021



### 3 What is local food?

*In this programme, local food means locally produced food that supports the economy, employment and food culture of the local region<sup>21</sup>, has been produced and processed from ingredients sourced in that region, and is marketed and consumed in it.*

In addition, the measures of this programme cover special products of certain, mainly small food companies, the most significant market for which is local but which are also sold through various channels in other parts of Finland.

Local food and the local origin of food relate, in particular, to short supply chains. Short supply chains are defined by a small number of actors in the chain, close co-operation between actors, growth of the local economy, and geographical and social contacts between consumers.

Photo: Ministry of Agriculture and Forestry



<sup>21</sup> In this context, the word 'region' refers to a county, a corresponding region, or a smaller geographic area.

## 4 Why local food?

Local food is highly significant for the local economy: it creates jobs and provides income, accrues tax revenue in the local area and increases the area's economic independence. Local food and the growing demand for it provide consumers with more options in their food choices, enhance the viability of primary production through new marketing opportunities, create added value for the product ranges of shops and professional kitchens as well as for tourism, promote business in line with sustainable development, enable the traceability of food, raise awareness of responsible food production practices, and give the producers a face. Local foods offer an opportunity to develop further the Finnish food culture with its rich regional variations, to respond quickly to changes in consumer needs, and to promote the preservation of indigenous breeds, landrace varieties and biodiversity. Local foods create diversity in the world of tastes. Local food shortens the supply chain, which facilitates the traceability of food, control of origin and supervision of labelling and also contributes to preventing abuses in the food chain. This means that local food additionally has a role in reinforcing food safety.

The production of local food builds social capital through cooperation and creating trust between different actors, which in turn increases the demand for local food and improves marketing opportunities<sup>22</sup>. Factors highlighted by customers who consume local foods, including fairness, interaction, community spirit and trust, can be regarded as social capital for local food companies and networks which larger companies find difficult to reach<sup>23</sup>.

Sustainable regional food systems based on using local ingredients and production inputs, including energy, can be created around local food. A sustainable regional food system respects and develops the local food culture, promotes good production practices and strives to reduce losses in all parts of the food chain. The side streams of production are utilised efficiently, and nutrient recycling is central. A greater effort should be made in the future to develop regional ecosystems based on local foods.

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22 See e.g. [https://www.researchgate.net/profile/Michelle\\_Glowacki-Dutka/publication/275380486\\_Examining\\_social\\_capital\\_within\\_a\\_local\\_food\\_system/links/55bf4ac208aec0e5f44604ee.pdf](https://www.researchgate.net/profile/Michelle_Glowacki-Dutka/publication/275380486_Examining_social_capital_within_a_local_food_system/links/55bf4ac208aec0e5f44604ee.pdf); <https://ideas.repec.org/a/ags/phajad/199070.html>; <https://www.hamk.fi/wp-content/uploads/2018/07/Lyhyet-l%C3%A4heiset-ketjut-l%C3%A4hiroka-ja-sosiaalinen-p%C3%A4%C3%A4oma-l%C3%A4hiSos-Loppuraportti.pdf>

23 <https://www.hamk.fi/wp-content/uploads/2018/07/Lyhyet-l%C3%A4heiset-ketjut-l%C3%A4hiroka-ja-sosiaalinen-p%C3%A4%C3%A4oma-l%C3%A4hiSos-Loppuraportti.pdf>

Local food production is an important part of maintaining Finland's self-sufficiency and local security of supply. Finland's national security of supply is largely based on the production and centralised distribution solutions of major food companies. However, regional producers and local food companies play an important role in emergency situations if, for one reason or another, logistic systems do not function adequately or if, for example, consumer trust in the grocery trade is eroded. Among other things, this must be taken into account as part of preparedness related to the groceries supply<sup>24</sup>. However, a precondition for local security of supply is that the operations of local food companies are well established and profitable under normal conditions.

The local food trend has meant that indigenous Finnish livestock breeds and landrace crop varieties are once again appreciated. Landrace varieties of plants and indigenous animal breeds are part of our living cultural heritage. They are important for promoting biodiversity and the preservation and commercial utilisation of genetically valuable material – to say nothing of their significance for cultural history. The products may bring significant added value to producers and consumers who expect food ingredients to have special characteristics of flavour and quality. The challenges in the processing of products from landrace breeds and varieties lie in the small production volumes and decline of processing plants suited for handling small batches. Local food companies may make it possible to also engage in profitable cultivation of rarer plant species grown in small batches and production of specialist quality products, including the production of meat on meadows and pastures based on the biodiversity perspective.

The diverse range of wild berry, mushroom and herb species offers unique opportunities for local food production, tourism services and special product markets alike. The gathering and further processing of natural products are underpinned by the natural strengths of the countryside. Natural products create potential for economic activities in sustainable business as the crops do not require production inputs from humans. Besides their environmental friendliness, consumer interest in natural products is increased by awareness of their positive health impacts. While valuable properties have been found in many traditional ingredients and novel products based on them have been developed, the abundant opportunities offered by forests and other natural environments remain underexploited.

Reindeer husbandry has significant economic impacts on food and tourism sector companies in our reindeer herding area, but it is also an important part of our image of Finland. Expectations are additionally placed on the better availability of and wider use of game, for example in restaurants.

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24 [https://cdn.huoltovarmuuskus.fi/app/uploads/2017/05/31111231/Ruokapalvelut\\_opas.pdf](https://cdn.huoltovarmuuskus.fi/app/uploads/2017/05/31111231/Ruokapalvelut_opas.pdf)



The local food trend is also reflected in a growing interest in local fish, either caught in the wild or grown by fish farms. The supply of local fish is, however, not sufficient to meet consumer needs, which results in high consumer prices. The development in Finland is hindered by permit policy issues and administrative obstacles, which contribute to undermining companies' ability to respond to consumer demand for local fish. To secure the supply of domestic fish for fish processing and trade and maintain its competitiveness, a viable and profitable commercial fishing and aquaculture industry are required in Finland. The stocks of many fish species are also underexploited, and the exploitation and supply of these species to consumers should be systematically stepped up. The value added of processed fish products, raw material quality and logistics for small batches should be further developed.

Local food may also be a combining factor that brings together various sectors. Food, the creative fields, experience industry, tourism as well as wellness business can be mutually supportive. Local food may also have a role in preventing social exclusion if persons threatened by exclusion can be involved in small-scale production of local foods, for example through social enterprises, thus offering them an entryway to the labour market.

Photo: Marianna Laitinen



## 5 Vision

*Consumer-centrally and sustainably produced local food is valued and used throughout the food system, and it supports employment and develops the local economy and food culture.*

Photo: Jukka-Pekka Vartiainen



## 6 Objectives

The objectives of the Local Food Programme are:

1. diversifying and increasing local food production to meet the demand, enabling the development of new sales and distribution channels and increasing the added value,
2. improving the opportunities of small-scale food processing and sales through legislation, advice and research,
3. increasing the share of local foods in public procurement through better procurement competence, quality criteria and procurement requirements,
4. stepping up cooperation between actors in the local food sector, and
5. increasing the appreciation and visibility of food and food chain actors.



## 7 Nature of the programme

The programme is a policy instrument that supports the Government's food policy. The programme sets targets for the promotion of local food for 2025, the government term extending till 2023, and the new EU funding period ending in 2027.

The measures set out in the programme will be implemented as part of the work of the relevant ministries and agencies as well as regional state government and local government. While it is implemented through the means available for the administration as a government-level programme, its objectives and strategic outlines lay the foundation and create added value for the development efforts of all actors in the local food chain. In order for the programme objectives to be attained, measures and collaboration of the entire local food sector will be called for.

Photo: Marianna Laitinen



## 8 Programme objectives and key measures

***Objective 1. Diversifying local food production and increasing it to meet the demand, enabling the development of new sales and distribution channels, and increasing the degree of processing of local foods***

The consumers usually make their daily food purchases in local, easily accessible retail stores. A growing demand for local food is seen in retail stores which have recognized the value-adding benefits of local foods and selected a strategy of building up the range of local foods in their selection. To increase the supply of local foods in retail stores, marketing and other cooperation between companies and traders need to be reinforced, and new operating models need to be created while taking advantage of the current distribution and marketing mechanisms.

Consumers increasingly also encounter local foods in the meals offered by professional kitchens. Approximately one half of the ingredients for professional kitchens are purchased through food service wholesalers, while the other half is purchased directly from producers, manufacturers and importers. For many local food companies, the most efficient route to the market thus is a food service wholesaler. Restaurants, in particular, have recognized the value added brought by local food, but public professional kitchens are also increasingly including local foods in their menus. A shortage of pre-processed and more highly processed products and ingredients suitable for professional kitchens persists, however, and local food entrepreneurs lack the courage to invest and scale up their production. Ingredient producers, processors, trade, professional kitchens, end users and product developers should engage in closer dialogue in order to achieve the specific kinds of products that meet consumer needs. In the future, we will also increasingly need to develop local solutions in addition to centralised models for placing products on the market. To succeed, local food enterprises must recognize their customers' needs and expectations concerning different types of products and their degrees of processing, as consumer choices at the time of purchase are what creates the true value of the entire production and distribution chain. Similarly, the company has to understand the demands of its customers' supply chains and master the realities and regularities of business.

Short supply chains, which are an integral element of the local food sector, are growing in importance in food sector development. Short supply chains increase interaction between consumers and producers. They create relationships based on trust, provide consumers with an opportunity to find out where products come from, and contribute to security of supply. Short supply chains enable producers and processors to get a fairer price for their



products. The growth in the number of local food outlets as well as online shops of farms and local food companies shows that the interest and courage needed to set up new and profitable sales channels based on short supply chains are there. Responsible food networks, which are a Finnish innovation, rapidly grew in popularity and now number almost 200 around Finland<sup>25</sup>. To respond to the growing consumer demand for local foods, we need more stores that bring together different products and offer special products from other regions, as well as other marketing and distribution solutions, including direct sales on farms, mobile sales units, local food networks, regional wholesalers, online sales solutions, markets and other sales events as well as new service concepts.

Local foods are mostly produced and consumed in the local area. Special products sought after by consumers and carefully specialised niche products offer growth opportunities for companies producing and processing local foods. National and international distribution channels are significant for companies. They encourage companies in expansion, product development and development of marketing competence.

One of the main bottlenecks relating to local food is the transportation and storage of small batches. The special characteristics of food logistics include small profit margins, strict requirements for temperature control, short storage and shelf life of fresh products, timing of deliveries and small volumes and delivery batches of local products. The main issue that arises from this is how to compile small product flows into large enough batches and broad product portfolios for the needs of different buyer groups.

The logistical challenges are a good example of operations where collaboration between food chain actors is particularly important. Through collaboration, entrepreneurs can secure a sufficiently broad range of products for both retail stores and professional kitchens as well as manage the transportation cost-effectively. Creating distribution chains that are company led, profitable and suitable for smaller batches in the regions will be essential. Besides cooperation, new kinds of networking and creation of preconditions for business growth, for example through co-operative enterprising, are called for to achieve large enough product volumes, reliable deliveries and diverse product ranges. The opportunities offered by current structures should also be taken into account when developing logistics solutions.

One of the most important development objectives in the food chain is the competitiveness of enterprises. The means to this end include improved competence and expertise, cooperation as well as horizontal and vertical networking between actors, exploiting innovations, improving productivity and diversifying production.

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25 <https://www.facebook.com/notes/reko-l%C3%A4hiruokarengas/reko-l%C3%A4hiruokarenkaat/1083104988435841/>

Investments, higher added value, finding the right customer segments and improving cost-efficiency are some of the keys to competitiveness. In addition to investments made by companies themselves, growth is sought through joint investments, for example in experimental activities or work processes, logistic interfaces or identifying new customer groups. In particular, funding for these packages of measures is channelled through the Rural Development Programme and the forthcoming strategy plan. Both start-ups and companies willing and able to grow are needed in the production and processing of local foods. Creating sufficiently strong subcontracting networks and other forms of cooperation between companies of different sizes operating in the sector is also essential.

In the EU, efforts are made to improve producers' position through producer and sectoral organisations, which could also serve well companies operating in the local food chain. They can facilitate networking, creation of market power and sufficient supply volumes. The actors in the sector should examine the opportunities that producer and sectoral organisations may offer and actively seek to raise the level of organisation in the local food sector.

One of the opportunities associated with local foods is networking with the tourism sector in the area and making local food part of tourism companies' catering services, as high-quality and responsible food plays a part in the tourism service chain at all times. Actual food tourism, in which food and culinary experiences are the main reason for the journey, is also growing both in Finland and globally. It offers tourists opportunities to familiarise themselves with local lifestyles, flavours and cultures. Tourist destinations and regions should see local foods as an opportunity for profiling and raising awareness of their region or strengthening its brand. Developing food tourism into profitable business and a product that is truly attractive to tourists, easy to purchase and accessible requires cooperation, the building of tools for networks and distribution channels, productisation, service design, product recommendations and profitability calculations as well as more efficient marketing.

Personnel resources are one of the challenges faced by further processing operations. Many local food enterprises are small family businesses which cannot expand their operations without hiring more staff. Hiring skilled and committed staff is a challenge, however, which may involve considerable risks from the perspective of microenterprises. To facilitate the hiring of employees, legislative concessions and incentives as well as encouragement, advice and different agency and relief labour services are needed. Local food sector actors are also affected by the demographic change, which is why it will be important to find successors to take over profitable businesses in the years to come. The entrepreneur's personality and back story often are a major part of a local food enterprise's profile, which poses an additional challenge when the company is transferred to someone else. Transfers of companies to a new owner or the next generation should be planned as a long-term development process, taking advantage of methodical ERP systems and

advisory and financial services made available through various advisory and business organizations and Centres for Economic Development, Transport and the Environment, for example. On the other hand some companies, particularly those dependent on farms and gardens and those processing natural products, rely on foreign seasonal labour. Together with the actors in the sector, the government must find ways to reduce this dependency and facilitate the entry into Finland of foreign seasonal labour and internal mobility – also in exceptional situations.

The buildings of farms that have ceased or are about to cease operating in rural areas are an opportunity for developing local food companies. Developing the operation of these farms with the local food market in mind or, on the other hand, making them available to new entrepreneurs through innovative solutions, is one way of increasing the supply of local food. However, it is difficult for these small local food entrepreneurs to obtain support from agricultural schemes, as the payments primarily target the production of raw materials on a large scale. Agricultural policy measures should identify better the special features of small farms focusing on local food markets and also see the potential for profitable business in them.

Globally, different community-supported agriculture (CSA) models are increasing in popularity, and some larger CSA farms also operate in Finland. Community-supported agriculture is a production method based on local communities in which production risks are shared with consumers, for example by selling harvest shares before the harvest, and in which consumers participate in planning the production and often also in the actual production itself. Community-supported agriculture has potential for expansion, but national and international networking of CSA farms, research and information would be required for this.

### Target state 2025

- The degree of processing of local foods has increased, there is a wide range of products available, and the products meet the needs of different customers.
- Local food products are easily available to consumers. They have a number of sales channels, among which producers and processors of products can find the most suitable and profitable ones for themselves.
- Advanced logistics for small batches enable profitable and sustainable business. Local food companies engage in effective collaboration with retail trade and food service wholesalers.
- Local foods are part of high-quality tourism products, create added value and profit for food and tourism business operators in the region, and increase Finland's attraction as a tourist destination.

- Local food production is a key element in national self-sufficiency and security of supply.

### Key government measures

- Diverse funding instruments will be created for the local food sector, especially for product development, promoting cooperation, building marketing channels and logistics solutions, raising the competence level and developing the local food sector in general.
- The opportunities of primary products, their processing and placing on the market as well as short supply chains will be identified in policy actions relating to agriculture and investments that support these opportunities in aid systems.
- Food tourism and high-quality food as part of the tourism service chain will be developed systematically in line with the food tourism strategy. The role of high-quality food in tourism will be accounted for in Finland's tourism strategy.
- The establishment of producer organisations will be promoted.

### ***Objective 2. Improving opportunities for small-scale food processing and sales through legislation, advice and research***

Processing and selling products on the farm is a way of controlling the marketing channels of primary products and improving the profitability of primary production. Amendments made to food legislation in the beginning of 2012 facilitated the direct sales of products and deliveries for local sales, including to food stores. Currently, around 3,300 farms sell their produce directly to consumers, and this number is expected to grow<sup>26</sup>. Promoting short supply chains should be seen as part of comprehensive development of farms.

The prerequisites for developing the local food sector include not only the availability of high-quality raw materials but also the operating conditions of companies engaged in further processing of food for the needs of different consumer segments, one of which is just and effective legislation. Studies<sup>27</sup> have found that before the Local Food Programme was adopted, entrepreneurs experienced the legislation applicable to the

26 Maatilojen kehitysnäkymät [Development prospects for farms] 2027, TNS Kantar 2020

27 e.g. Rahkio, Marjatta 2012. Elintarvikealan pk-yritysten neuvontaa ja koulutusta koskeva selvitys. Kauriinoja, Heli 2012. Paikallisesti toimivien elintarvikealan pk-yritysten kasvun edellytykset ja esteet. Seminaaritiivistelmä. University of Helsinki.

sector challenging; it was interpreted in a narrow sense, and it treated different regions and operators unequally. As part of implementing Prime Minister Sipilä's Government Programme, the problems of bureaucracy affecting food industry companies were investigated, and numerous amendments were made to the legislation; special attention was also paid to advice and guidance for entrepreneurs<sup>28</sup>. There should also be a focus on the fitness for purpose of the legislation applicable to food companies in the future.

Beverages are part of the food culture and beer, including the traditional home-made variety (*sahti*), are a traditional part of meals. Thanks to the growing local food trend, in particular, the appreciation of beer has increased once again, and numerous small breweries complement the product range of large companies with their craft and specialist brews. In recent years, even more variety has been added by farm wines and liqueurs as well as spirits, which have diversified the business activities in rural areas. In alcohol policy development, ways to support and further develop our small brewery and farm wine sector should be considered and its operating conditions should be improved, for example by extending their right to sell their products out.

In 2016, Evira (currently the Finnish Food Authority) launched an extensive advisory project aimed at food sector SMEs with special reference to food legislation. The activities of this project are being put on a permanent footing as part of the Finnish Food Authority's standard operation<sup>29</sup>. Companies still need more advice related to food legislation customised to their specific needs. The advisory services for operators should also include familiarisation with the statutory traceability requirements of products and raw materials, in particular, as well as issues related to packaging materials, labelling, and nutrition and health claims.

In addition to legislative advice, companies need guidance and support for professional development, especially in business skills. They need information about market prospects, marketing and export skills (including social media solutions), skills in interacting with consumers, assistance in product development, and information on advancing packaging and logistics solutions, in addition to traditional strong expertise related to ingredients. The preparedness level and risk management as well as focus on environmental issues of local food companies should be improved. Provision of information on the available development services and business subsidies should be improved further. In enhancing the expertise of entrepreneurs, exchange of experiences and good practices, peer support and learning from other entrepreneurs and mentors in various networks have become increasingly important. When striving to improve the business skills of farms, relying

28 <https://mmm.fi/norminpurku>

29 <https://www.ruokavirasto.fi/yritykset/elintarvikeala/uutiset/elintarvikealan-karkihankkeessa-neuvottu-jo-satoja-yrityksia/>

on the expertise of the AGRI Hubi competence network to be launched in 2021 will be important.

The rapid global development of new technologies and digitalisation also challenges the Finnish food system to renew. Innovations enable new ways of producing, purchasing and preparing food, and food produced using modern technological solutions will increasingly be part of the accepted offer of food. Data is becoming more important as a part of the food system, and the potential of the data economy should be fully exploited. High-quality training and advice should also be available for local food companies on these themes. Extending high-speed broadband connections to the entire country will also promote local food entrepreneurship.

Policies, decision-making, planning of measures, practical development work and public dialogue, among other things, need to be backed up by up-to-date research evidence. Numerous studies and surveys have been conducted on local foods, and there is also a solid international knowledge base related to them. Among other things, Finnish studies have focused on defining the concept of local food, analysing different operating models, mapping the utilisation rate, consumer demand and supply potential, and analysing the impacts of local food on the regional economy. However, we do not yet have sufficient research evidence relating to local foods. In particular, information is needed on the impacts and future prospects of local food to pave the way for profitable business investments. Entrepreneurs need information about the profitability of different distribution and marketing models, the effectiveness of cooperation models between producers and consumers, future global megatrends, changes in consumer behaviour and, in general, weak signals related to the outlook for local foods. Research related to food, including local foods, should be strengthened with sufficient funding and by means of research institutes' performance guidance. In addition, Finnish research should be linked to other international research programmes and networks, including the EU framework programmes and Nordic research cooperation.

### Target state 2025

- The level of know-how has improved in all stages of the food chain and expert services are readily available.
- Entrepreneurs have stronger business skills and they have faith in the future, which motivates them to invest in further processing capacity and to eagerly search for new solutions.
- Legislation applicable to enterprises is clear and supports comprehensive development of business activities.

## Key government measures

- The streamlining of food sector regulation and supervision will be continued, and the flexibilities allowed by the EU for local production will be introduced fully.
- The provision of training and advice on food legislation will be continued.
- More training and advice will be provided for local food companies, in particular related to business skills, marketing and communications, digitalisation and the data economy.
- The crisis and risk management preparedness of local food companies will be improved.
- Local food statistics and research will be developed, especially on sales channels and volumes, use and future potential as well as the different impacts of local food

### ***Objective 3. Increasing the share of local foods in public procurement by improving procurement competence, qualitative criteria and procurement requirements***

Each year, the public sector (central government, municipalities, the Defence Forces, joint municipal authorities) spends approx. EUR 350 million on purchasing foods and ingredients<sup>30</sup>. Interest in local food has grown in the public sector, but the public contract legislation which regulates public procurements is often perceived as a restricting factor. Even in its current form, the Act on Public Procurement and Concession Contracts makes it possible to use local foods in public professional kitchens as part of focus on quality, responsibility and the environmental impacts of food procurements. In addition, local food procurements can contribute to attaining the national procurement strategy objective of making public contracts attractive to different tenderers by dividing them into appropriate lots, which also makes it possible for SMEs to participate. Obstacles to promoting food choices that would increase the consumption of local foods include a lack of strategic decision-making, guidelines, competence and training related to procurement, selection criteria focusing on price, small delivery volumes compared to the needs of the growing contracting entities and production kitchens, a lack of products suited for professional kitchen use, and companies' ignorance of procurement processes. Competence required to take local foods and their availability into account in the planning and design of recipes and menus is lacking. The tight economic situation of municipalities may lead them to look for low-cost food through competitive tendering instead of

30 [https://mmm.fi/artikkeli/-/asset\\_publisher/periaatepaatos-julkisten-elintarvike-ja-ruokapalveluhankintojen-vastuullisuudesta-hyvaksyttiin#9681e076](https://mmm.fi/artikkeli/-/asset_publisher/periaatepaatos-julkisten-elintarvike-ja-ruokapalveluhankintojen-vastuullisuudesta-hyvaksyttiin#9681e076)

preference for local origin or even high quality. In this situation, the positive impact of local producers and procurement of local food on the local and regional economy tends to be forgotten.

The share of local foods in public food procurement should be increased. Training related to procurement processes and information on products available in the region should be made available to political decision-makers, purchasers, local producers and other entrepreneurs. Market dialogue and market analyses should be encouraged. Quality criteria and tools related to them, including document templates, should be developed to enable the procurement of local food, taking into account the perspectives of quality, responsible production methods, freshness, seasonal variation, sustainable consumption and environmental issues, in particular, besides the nutritional quality. Finnish fish is a good example of local food whose procurement could be promoted through qualitative selection criteria that would highlight the freshness of the fish, verifiable from the date when it was caught in the wild or slaughtered on a fish farm. In the efforts to increase the use of local food in public catering, more attention should be given to seasonal variation. Seasonal aspects should be more prominent in the planning and design of menus in professional kitchens. Engagement of public kitchen customers, making cooperation with local entrepreneurs and producers visible, local food menus, days and weeks, showcasing the local product range in menus, and training aimed at changing attitudes are some of the means to achieve this goal. In addition, training related to new procurement methods, including innovative procurement partnerships and dynamic procurement methods, is needed for catering services and procurement experts to develop new types channels for local food procurement.

### Target state 2025

- The availability of local foods has improved and local food is a natural part of public food services. Local foods have been taken into account in municipal procurement strategies and food service agreements, and they are used and valued in all Finnish municipalities.
- Criteria applied in competitive tendering include, besides nutrition and other quality, environmental issues and sustainable consumption, seasonal products and freshness.
- New procurement methods, including dynamic purchasing systems and innovative procurement partnerships, have been widely introduced in the procurement of local foods. Purchasers have the competence needed to divide procurements into appropriate lots, which also enables the participation of smaller companies. The market knowledge of food service and procurement experts has improved, and procurements are developed through active market dialogue between the parties.



## Key government measures

- Measures that improve procurement expertise and procurement practices will be funded and implemented.
- Guidance and advice will be offered to those involved in procurement processes, and tools, criteria, procurement requirements and guidelines that allow sustainable and responsible procurements will be developed.
- Municipalities and counties will be encouraged to increase the share of local foods in their procurements, and municipalities will be facilitated in making decisions on promoting the use of local foods and incorporating these decisions in their and their catering service providers' strategies.
- At the regional and municipal level, local foods will be promoted by such means as stepping up cooperation between producers and purchasers and spreading best practices.

### **| Objective 4. Closer cooperation between actors in the local food sector**

A local food study drew special attention to the fragmented nature of development work in the sector. Projects are being implemented by companies and groups of companies, and at the local, regional, national and international levels with the help of funding obtained from a number of sources. Regional development work can be coordinated to form more effective entities when the actors and funding providers openly prepare the development actions together and roles and responsibilities are clearly assigned to the parties. In addition, the Local Food Programme evaluation called for a closer association between local educational institutions and companies: organisations providing education and training should be more closely linked to the development of the local food sector. At the regional level, strong umbrella projects based on regional starting points should be set up to promote the general development of the sector and to aim for systematic development of business activities. The competence and product development needs in the region and the needs of local food chain actors should be established in the planning stage. The projects should manage to bring together the whole chain and its actors (product-producer-processor-end user and the management of the material, money and information flows at the different stages of the chain). National coordination is also needed to support the regional development work and improve its efficiency.

On the national level, the challenges include an administration divided into branches in which different ministries plan measures and target research and development actions from their own perspectives. We should move away from sectoral silos towards a genuine food policy, in which food is looked at comprehensively and measures are planned in a more coordinated way between the administrative branches. National and regional development work should be linked more closely to international networks, including cooperation in the Nordic and Baltic region.

## Target state 2025

- National strategies and policies point the way for the local food chain and secure the growth of the sector.
- Effective development efforts are made in genuine cooperation between different actors in the local food chain.

## Key government measures

- Cooperation between administrative branches relevant to the development of the local food sector will be stepped up.
- The development of the food sector and local food will be recognised in regional development strategies and programmes as well as in the regional development programmes of the Centres for Economic Development, Transport and the Environment.
- The regions will have officers responsible for local food development activities who are working to build cooperation between the regions and at the national level.
- In the programming period 2021–2027, multiannual coordination projects focused on developing the food sector and local foods will be launched with the help of regional funding for regions which roughly correspond to the counties in size. The aim of these projects will be to bring together regional actors and projects and promote their networking with similar coordination projects in other regions as well as ensure their participation in national development actions in the sector. The implementation of national coordination measures in support of regional development activities will be continued during the new funding period.

### **Objective 5. Increasing the appreciation and visibility of food and food chain actors**

The demand for Finnish and local foods is affected by the degree to which they are appreciated, in particular. The appreciation for Finnish food has been increasing throughout the 2000s, and such reports as a study on Finnish people's eating choices completed in 2020 indicate that almost four out of five Finns find eating Finnish food important (80%, cf. 2018: 78%, 2016: 73%), and more than one out of two (61%, cf. 2018: 54%) are interested in local foods. A campaign implemented by the Ministry of Agriculture and Forestry, the Central Union of Agricultural Producers and Forest Owners and the Central Union of Swedish-speaking Farmers and Forest Owners in Finland in 2018–2019 confirmed the idea that consumers are very interested in where their food comes from.

It showed how campaigns can raise consumer awareness of the origin of food and also influence buying behaviour<sup>31</sup>. Campaigns that put producers and local food companies in the limelight will also be needed in the future, whether organised by the companies concerned, development organisations, trade or the food service sectors. Producers' and local food entrepreneurs' active communication about their operations also plays a major role in raising consumer awareness of where their food comes from by different means. The key to this is using the social media. However, many companies still lack communication skills.

The foundation for appreciating food is built from a young age, and education related to food and nutrition encourages a life-long interest in and open-minded attitude towards food and increases the appreciation of food and its producers. Food and nutrition education should be integrated as a natural part in learning outcomes in early childhood education and the entire Finnish school system alike, and this work should continue in vocational upper secondary and higher education. More gardens and vegetable patches should be planted for schools, and cooperation between schools and farms should be promoted.

Finland has long traditions in action through various kinds of associations and a strong NGO field. Many associations already run systematic advisory and club activities relating to food, food culture, food preparation skills and entrepreneurship in the field, which contribute to raising consumer awareness of local foods. Providing for the NGOs' operating conditions will be important also in the future.

Higher appreciation for food contributes to ensuring that food production will continue in Finland, which will secure the availability of high-quality ingredients and have impacts across society in form of employment and tax revenue. Jobs in the sector are not perceived as very attractive, however, which is why various kinds of campaigns aiming to enhance the image of the food sector will also be needed in the future.

Appreciation of food can be strengthened by knowing where the food comes from, but also by willingness to participate in producing its ingredients. Among other things, this is reflected in the increasing interest of Finnish people in gardening, and especially in growing edible plants<sup>32</sup>. Studies have shown that sustenance farming can contribute to achieving the UN Sustainable Development Goals, in particular in terms of food security, the environment and health<sup>33</sup>. Subsistence farming and gathering natural produce are

31 Suomi syö –tutkimus/Taloustutkimus and Läheltä parempaa campaign [https://valtioneuvosto.fi/artikkeli/-/asset\\_publisher/1410837/ruuan-alkuperaa-korostanut-kampanja-lisasi-kotimaisen-ruuan-arvostusta](https://valtioneuvosto.fi/artikkeli/-/asset_publisher/1410837/ruuan-alkuperaa-korostanut-kampanja-lisasi-kotimaisen-ruuan-arvostusta)

32 mm <https://www.puutarhaliitto.fi/kolmannekselle-puutarhanhoito-tarkea-harrastus/> and <https://www.iltalehti.fi/asumisartikkelit/a/201804122200873306>

33 See e.g. <https://link.springer.com/article/10.1007/s11625-020-00792-z>

part of a sustainable local food system and have strong traditions in Finland. Sustenance farming can also serve as a basis for small-scale local food entrepreneurship. This is why increasing attention should be paid to support and training related to sustenance farming. The interest of citizens in local food and small-scale cultivation should be taken into account in community and land use planning. The means of promoting residents' cultivation activities include sufficiently large sites, allotments, vegetable patches and greenhouses at schools as well as enabling rooftop gardens, jointly-owned gardens and fields, joint storage facilities and sales points.

Photo: Jaakko Martikainen



## Target state 2025

- The consumers increasingly appreciate local foods and those who produce them.
- Food and nutrition education delivered throughout the education system, starting from early childhood education, lays the foundation for a lifetime of sustainable food choices.

## Key government measures

- Campaigns and other information activities that draw attention to local foods and its producers will be implemented.
- Citizens' skills in everyday household tasks and sustenance farming will be improved through advisory organisations, including the Rural Women's Advisory Organisation, Finnish 4H Federation and the Martha Organisation.
- Food education will be promoted by including food and nutrition perspectives in early childhood education, different subjects taught in comprehensive school and general and vocational upper secondary education, and teacher education. Resources, where available, will be allocated to home economics teaching.



## 9 Funding

The measures proposed in the programme will be implemented as part of the activities of the relevant ministries as well as the central, regional and local government. Funding will be allocated to the programme as allowed by the decisions on the spending limits of the national economy and funds allocated in the Budget, and matters concerning the funding will be processed and decided in the spending limit and Budget processes of the state economy. The funding will be adjusted to the overall economic situation and its impacts on the development measures proposed in the programme. One particular objective will be achieving synergies and savings in government resources through comprehensive implementation of the measures, projects and other actions. The practical measures, projects and actions relating to programme implementation must also be justified from the perspective of overall resource use and government savings.

In order to achieve the objectives of the programme, measures will be mainly implemented through the food chain development funds and research appropriations available to the Ministry of Agriculture and Forestry, the Rural Development Programme and the Operational Programme for the Finnish Fisheries Industry as well as the resources of the parties implementing the Structural Funds programmes and programme measures.

## 10 Follow-up and indicators

The implementation and effectiveness of the programme will be monitored both during the implementation process and after its completion. The impact indicators include the trend in the number of companies and value added of the production of microenterprises and small enterprises in the food sector as well as continued appreciation of locally produced food. The trend in the share of local food in the food procurements of public professional kitchens is also followed. As input indicators, public funding allocated to local food development and investment activities will be monitored. Information will be sourced from various business statistics and financial data as well as through different studies.

Photo: Julia Kivelä



## 11 Equality and environmental impact assessment

The programme is gender neutral in its basic premises. The programme measures include enhancing competence and skills, reinforcing entrepreneurship and creating employment opportunities, and they have positive impacts which are gender neutral. The food sector offers many opportunities for part-time jobs for young people and valuable work experience, which means that the programme can indirectly support youth employment.

Environmental impacts were duly considered during the entire preparation process of the programme. Among other things, the environmental impacts of local foods are influenced by agricultural production practices, the processing, packaging and transportation processes of products, and consumer behaviour relating to buying, transporting, preparing and potentially wasting food. When using local foods, the environmental impacts affect the local area, which makes rapid intervention possible if necessary, as the production chain of local food is well known. The programme will enable the achievement of positive environmental impacts through regional food systems and better logistics for small batches. Increased appreciation of food may help to reduce food losses, which is also beneficial for the environment. The Local Food Programme will mainly be implemented through regional EU co-financing. A separate environmental impact assessment has been prepared for the Rural Development Programme, and EU co-financed measures are monitored using various indicators and studies.

The programme and the proposals for measures were also examined using the check-list designed for assessing the impacts on rural areas. The programme can be considered to have direct positive impacts on the economic activities, entrepreneurship, employment and competence in rural areas, and at least indirect impacts on their attraction and strengths. In particular, the programme can influence social capital and communality, and to some extent the availability of services.



## 12 Organisation of programme implementation

The ministry responsible for the Local Food Programme is the Ministry of Agriculture and Forestry. Regional and national measures will be coordinated in cooperation with national and regional funding providers and parties implementing regional local food projects.



## 13 Programme communications

Information on the Local Food Programme, the instruments funded under it, and documents relevant to local food are available on the Ministry of Agriculture and Forestry's website at: [www.mmm.fi/lahiruoka](http://www.mmm.fi/lahiruoka). The Facebook site<sup>34</sup> and blogs<sup>35</sup> of the Local Food Programme are key communication channels. The Ministry of Agriculture and Forestry will also actively spread information about local food issues through its other communication channels. Articles on the Local Food Programme will be written for programme partners' publications, and information on the programme will be provided at events organised by the Ministry of Agriculture and Forestry and others. Different networks related to local food and the national [aitojamakuja.fi](http://aitojamakuja.fi) site, which focuses on local food information, will play an important role in communications.

Information activities of local food sector operators will be an important part of the communications, both regarding the programme and news from the sector as a whole.

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34 <https://www.facebook.com/Lahiruokaohjelma/>

35 <http://lahiruokaohjelma.blogspot.com/>

## 14 Links to other actions and policies in administrative branches

Other strategies, programmes and reports significant for and relevant to local foods were utilised and, as far as possible, taken into account in the preparation and update of the programme.

The Government Report on Food Policy (2017) notes that the report will not replace existing local food and organic programmes. However, some of the key objectives of these programmes were included in the report. Local foods and short distribution chains are part of the current EU agricultural policy, and promoting them is addressed in Finland's Rural Development Programme<sup>36</sup>. Food production, including local foods, is also seen as a key source of rural vitality in the CAP plan for the programming period 2021–2027, which is currently being drafted. In the Farm to Fork strategy<sup>37</sup> adopted by the European Commission in spring 2020, regional and local food systems are regarded as part of a more sustainable food system. The nutrition recommendation published by the National Nutrition Council in 2014 draws attention to local foods<sup>38</sup>. The Local Food Programme supports the preparation of the Strategic programme to promote a circular economy<sup>39</sup> and the objectives of the Climate-friendly Food Programme<sup>40</sup> and the Programme for promoting domestic fish<sup>41</sup>, which are also being drafted.

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36 <https://mmm.fi/maaseutu/manner-suomen-maaseudun-kehittamisohjelma-2014-2020>

37 [https://ec.europa.eu/food/sites/food/files/safety/docs/f2f\\_action-plan\\_2020\\_strategy-info\\_en.pdf](https://ec.europa.eu/food/sites/food/files/safety/docs/f2f_action-plan_2020_strategy-info_en.pdf)

38 [https://www.ruokavirasto.fi/globalassets/teemat/terveytta-edistava-ruokavalio/kuluttaja-ja-ammattilaismateriaali/julkaisut/ravitsemussuosituks\\_2014\\_fi\\_web\\_versio\\_5.pdf](https://www.ruokavirasto.fi/globalassets/teemat/terveytta-edistava-ruokavalio/kuluttaja-ja-ammattilaismateriaali/julkaisut/ravitsemussuosituks_2014_fi_web_versio_5.pdf)

39 <https://ym.fi/kiertotalousohjelma>

40 <https://mmm.fi/ilmastoruokaohjelma>

41 <https://mmm.fi/-/kotimaisen-kalan-edistamisohjelma-lausunnoille-tavoitteena-kaksinkertaistaa-kotimaisen-kalan-kaytto>

## 15 Programme update process

A third-party interim evaluation of the programme was conducted in 2015 with a particular focus on programme implementation. The third-party evaluation conducted in 2018 examined not only implementation but also the programme's objectives and needs for an update. To acquire data for the evaluation, a survey was addressed to local food sector operators, thematic interviews were conducted with them, and a workshop was organised.

As the evaluation findings did not necessitate major changes to the programme, the programme was updated by public servants of the Ministry of Agriculture and Forestry as part of their duties, who incorporated the evaluation recommendations in the programme. The definition of local food was not modified based on the evaluation. The Ministry of Agriculture and Forestry made a draft version of the updated programme available for open commenting. Comments on the updated programme were also requested directly from local food sector operators. The updated programme was discussed by the management group of the Ministry of Agriculture and Forestry and the Food Department's management group. Key stakeholders were also invited to comment on the draft programme between December 2020 and January 2021, and the comments were incorporated in the updated document as applicable. The drafting process of the programme adopted in 2013 is described in Appendix 1.

Photo: Ministry of Agriculture and Forestry



## Appendix 1: Preparation process of the programme adopted in 2013

The Ministry of Agriculture and Forestry decided that the development of local food and organic production sectors referred to in the Government Programme should take place under two distinct programmes which, however, would be coordinated and reconciled by a joint steering group. For the purposes of programme preparation, the Ministry commissioned a report on the local food sector, which was published in March 2012 and which contained a description of the current state, main challenges and development proposals. To prepare the report, statistics and research findings were analysed, broad-based stakeholder interviews were conducted, and key actors were invited to a workshop.

A fixed-term Coordinator was appointed at the Ministry of Agriculture and Forestry in March 2012 to compile the programme and prepare the measures.

In late winter 2012, a SWOT analysis of the food sector was prepared as background for the Local Food Programme and the next EU programming period. The Local Food Programme sought to offer solutions to the challenges that came up in this analysis.

In spring 2012, a survey was addressed to regional developers and financiers of the food sector, asking them about their views of the published local foods report and the measures and objectives to be included in the programme. Subsequently, issues relating to local foods were presented and discussed in numerous meetings and working groups of various stakeholders (trade sector, advisory services, research, producers) from late winter 2012 on.

In May 2012, the Ministry of Agriculture and Forestry published a press release about the launch of programme preparation in compliance with the Act on the environmental impact assessment of plans and programmes. In May 2012, a citizens' hearing on the content of the programme was launched at Ministry of Justice's web service [otakantaa.fi](http://otakantaa.fi), and a less formal discussion was started in a Facebook group set up for the programme.

The objectives of the Local Food Programme were discussed and approved at a cabinet evening session on 9 January 2013.

The contents of the programme and the measures of the different ministries were discussed by the programme's steering group. The draft programme was circulated

for comments between 19 February and 12 March 2013. A total of 36 statements were received, which were taken into account when finalising the programme, where applicable.

The programme was adopted as a Government Resolution on 16 May 2013.

## **Publications of the Ministry of Agriculture and Forestry 2021**

- 1 Saimaannorppa ja kalastus -työryhmän raportti**
- 2 Metsätalouden kannustejärjestelmä 2021 -luvulla työryhmän muistio**
- 3 Maaseutupolitiikan neuvoston arviointi 2016–2020**
- 4 Maa- ja metsätalousministeriön kirjanpitoyksikön tilinpäätös vuodelta 2020**
- 5 Utvärdering av Landsbygdspolitiska rådet 2016–2020**
- 7 Kansallisen vesihuoltouudistuksen ohjelma**
- 8 Lähiruokaa – totta kai! Lähiruokaohjelma ja lähiruokasektorin kehittämisen tavoitteet vuoteen 2025**
- 9 Naturligtvis närmat! Närmatsprogrammet och målen för utveckling av närmatssektorn till 2025**
- 10 Local food – but of course! The Local Food Programme and local food sector development objectives for 2025**

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